



# Los Angeles Grand Avenue Authority



## **Board of Directors**

Hon. Gloria Molina, Chair  
Hon. Jan Perry, Vice Chair  
David E. Janssen, Secretary  
Robert R. "Bud" Ovrom

## **MAY 24, 2004 MINUTES**

The sixth meeting of the Los Angeles Grand Avenue Authority was held May 24, 2004 at Kenneth Hahn Hall of Administration, Room 374-A, 500 West Temple Street, Los Angeles, CA 90012.

## **CALL TO ORDER**

Chairperson Gloria Molina noting a quorum called the meeting to order at 10:08 a.m. The following Directors were present, constituting a quorum of the Authority:

Honorable Gloria Molina, Supervisor First District, Los Angeles County  
Honorable Jan Perry, Councilmember Ninth District, City of Los Angeles  
David E. Janssen, Chief Administrative Officer, Los Angeles County  
Robert R. "Bud" Ovrom, Chief Executive Officer, Community Redevelopment Agency, City of Los Angeles

## **APPROVAL OF THE FEBRUARY 23, 2004 MINUTES**

On motion of Director Janssen, seconded by Director Ovrom, the Authority unanimously approved the February 23, 2004 minutes.

## **MANAGING DIRECTOR'S REPORT**

Martha Welborne reported that since February 23, 2004, the Committee has focused on receiving and reviewing the proposals from the development teams. One of the short-listed teams notified her on March 10, 2004 that they were no longer participating in the process.

Proposals from the remaining four teams were received prior to the deadline of April 7, 2004 at 4:00 p.m. Interviews of the four teams were held April 26<sup>th</sup> and 28<sup>th</sup>.

Ms. Welborne stated that the Committee met with the Academy of Motion Picture Arts and Sciences to solicit their interest in locating their museum on Grand Avenue on March 29<sup>th</sup>. Further presentations are expected as discussions proceed.

Ms. Welborne presented and discussed the budget for Fiscal Year 2004-2005. This budget reflects the additional hiring of two full time staff. It was reviewed by the City and County staff.

**On motion of Director Janssen, seconded by Director Perry, the Authority unanimously approved the proposed budget.**

### **APPROVAL OF CHANGE IN KEY PERSONNEL FOR BUNKER HILL LLC DEVELOPMENT TEAM**

Ms. Welborne advised the Authority that the RFP allowed for the addition of team members to obtain expertise but that changing key/lead team members was disfavored and would require detailed explanations and approval by the Authority.

Bunker Hill LLC substituted the original lead developer (Weintraub Financial Services) with a new developer/team member (Fifield Realty Corp.) in the proposal phase. Weintraub remains a part of the development team as a supporting developer. The Grand Avenue Committee reviewed the proposal and interviewed the new developer pending the approval of the Authority and notified the team of the required approval. The Grand Avenue Committee concluded Fifield Realty Corp. adds relevant experience to this team and recommends approving the inclusion of Fifield Realty Corp and the substitution as lead developer. **On motion of Director Perry, seconded by Director Janssen, the Authority unanimously approved the substitution of Fifield Realty Corp. as lead developer for the Bunker Hill LLC group.**

### **APPROVAL OF NEXT STEPS IN NEGOTIATING PROCESS**

James A. Thomas, JPA Real Property Negotiator and Chairman and President of the Grand Avenue Committee, stated that they have elected to proceed to negotiate with the Forest City Development and The Related Companies Development teams, but retain the right to negotiate with the other two teams at any time depending on the outcome of the negotiations. Forest City Development and The Related Companies are the two strongest teams based on the RFP criteria. Both teams expressed a strong interest in the development of the park and would be helpful in its development, have good track records, solid development strategies, design analysis and strong financial statements.

The Committee will be working with the selected development team on a variety of issues including in-depth market studies, due diligence, pursuit of potential users, preliminary design to assist in the development of a definitive plan and financial package. A lot of work is required to develop a meaningful design review.

Chairperson Molina, Director Ovrom and Director Perry each acknowledged the effort of the Committee and expressed their appreciation on the Committee's efforts and the four development teams' participation.

Director Perry inquired about what comments regarding 'patient money', 'relatively high rate of return' and a 'strong interest in the park' meant. Mr. Thomas explained that while the money invested would probably earn an attractive return over a 15-20 year time frame, it would likely not produce a 18-22% return in a 5-7 year time frame. Therefore, we want partners who have the patience to stay with the project until it matures. With respect to the park, he indicated that he intends to explore with the development teams the specifics of their visions for the park, including their willingness to assist in financing.

Mr. Thomas reported that the Committee anticipates presenting its final recommendation to the Authority by the end of July, and that the four development teams were notified that further negotiations may be required should the Authority not approve the Committee's final recommendations.

Chairperson Molina asked Mr. Thomas to come to the meeting with a very descriptive analysis of why a particular team was selected.

### **DISCUSSION OF FUTURE AGENDA ITEMS, DATE OF THE NEXT MEETING**

The next meeting dates will be June 28, 2004 and July 19, 2004.

### **PUBLIC COMMENT**

Brady Westwater, Vice President, Downtown Los Angeles Neighborhood Council, expressed his concerns regarding the way the Authority had directed its efforts in this project. The last Grand Avenue development competition was between design and who could build it. It went with who could build it and the end product was deemed a massive urban failure. He expressed his hope that the project will be developed by a team that has the genius and the vision to create a living organic city.

Jan Perry addressed the Authority regarding an issue brought up by a city attorney regarding a possible conflict of interest for her to act as a director on the Authority. Her personal attorney, Betty Ann Downey, of the Law Firm of Smith and Kauffman worked with the City Attorney's Office compiling information to determine there is no conflict. Harret Trividi, Deputy City Attorney, Government Counsel Division, stated based on the facts and the cooperation and information provided that the City Attorney's Office concurred that there is no conflict of interest under State law and that the Director may participate.

### **ADJOURNMENT**

There being no further business, the meeting adjourned at 10:43 a.m.